

SINGAPORE EXCHANGE LIMITED

A SUMMARY OF THE PROCEEDINGS AT THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF THE SINGAPORE EXCHANGE LIMITED HELD ON 22 OCTOBER 2003 AT SGX AUDITORIUM, 2ND LEVEL, SGX CENTRE 1, 2 SHENTON WAY, SINGAPORE 068804.

1. **Quorum**

The meeting was called to order at 11.45 a.m. by the Chairman. A quorum was present.

2. **Resolutions passed**

All resolutions tabled at the EGM were passed.

A shareholder proposed an amendment to Resolution 4 so that the Compensation and Management Development Committee (“CMDC”) would have the discretion to adjust the price of share options granted under the Employee Share Option Scheme (“ESOS”) only in the event that SGX declared a special dividend. Resolution 4 was passed with the proposed amendment. The approved Resolution 4 was thus amended in the following manner:

“11.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place or if the Company shall make a declaration of a **special** dividend (whether interim or final and whether in cash or in specie), then the Committee may determine whether:-

.....”

3. **Share Issue Mandate – Convertible Instruments**

3.1 **Plans to issue convertible instruments**

A shareholder asked whether the directors plan to issue any convertible instruments.

The Chairman said SGX had no plans at the moment to issue any convertible instruments. The Share Issue Mandate was sought to cater for any contingencies.

4. **Special Dividend**

A shareholder wanted to know whether the monies used to pay the special dividend was actually excess monies received from sale of shares during the IPO exercise. If so, he commented that the capital reduction method should have been used instead to return the monies to shareholders. Section 44 tax credits could then be retained for later use.

The Chairman clarified that all proceeds from the IPO went to the Financial Sector Development Fund. The monies used to pay the special dividend came from profits earned by SGX and its predecessor institutions, SES and SIMEX. The board had considered a capital reduction exercise. However, the board felt that the special dividend was the best method to return the surplus cash.

5. **Proposed Modifications to Rule 11.1 of the SGX Share Option Plan (the “Plan”)**

5.1 Whether the adjustment of the subscription price of share options was related to Company’s performance

A shareholder asked whether the decision to adjust the subscription price of the options was related to the performance of SGX.

The Chairman clarified that the proposed adjustment was not related to SGX’s performance. It was based on the assumption that the SGX share price would drop after the payment of the special dividend.

6. **Proposed Modifications to Rule 7.3(b) of the Plan**

6.1 Discretion to extend the exercise period of options granted beyond an employee’s term of employment

A shareholder expressed concern that the proposed modifications to Rule 7.3(b) of the Plan to grant the CMDC the power to extend the exercise period of options in “any other event” was too wide.

The Chairman responded that the discretion sought by SGX was to accommodate events where SGX may want to recognise the past performance of an ex-employee who left on a “no fault” basis. This discretion would be exercised very sparingly.

Using a similar power, SGX recently exercised discretion to extend the exercise period for options granted to retrenched staff. The exercise period for options granted to the retrenched staff was extended to one year, and in the case of senior management, 2 years.

6.2 Confirmed exercisability of the former CEO's share options

A shareholder sought clarification on why the share options of the former CEO, Mr Thomas Kloet, remained exercisable for 10 years notwithstanding his termination. He also objected to the fact that the options to be granted to the current CEO, Mr Hsieh Fu Hua, remained exercisable for 7 years from the date of grant of such options notwithstanding the termination of his contract.

The Chairman explained that SGX had to balance the interests of shareholders against those of the employees. The share options are a component in the total compensation package, and should not be viewed in isolation. For example, if SGX reduced the exercise period, the candidate may ask for other benefits.

7. Closure

The meeting ended at 12.45 p.m.